



COVERSHEET

Minister	Hon Ginny Anderson	Portfolio	Small Business, Police, Justice
Title of Cabinet paper	Fog Cannon Subsidy Scheme – In Principal Expense Transfer and additional crown funding to allow more fog cannons to be subsidised	Date to be published	20 October 2023

List of documents that have been proactively released

Date	Title	Author
May 2023	Fog Cannon Subsidy Scheme – In Principal Expense Transfer and additional crown funding to allow more fog cannons to be subsidised	Minister for Small Business and Police
29 May 2023	Fog Cannon Subsidy Scheme – In Principal Expense Transfer and additional crown funding to allow more fog cannons to be subsidised: CAB-23-MIN-0200 Minute	Cabinet Office
1 December 2022	Briefing: Fog Cannon Subsidy scheme – Initial decisions on scope and delivery approach	MBIE
8 December 2022	Joint Briefing: Fog Cannon Subsidy Scheme and Retail Crime Prevention Programme – further decisions	MBIE and Police
14 December 2022	Briefing: Fog Cannon Subsidy Scheme: Selection of fog cannon providers, implementation timeline and funding	MBIE
2 March 2023	Aide Memoire: Adjustment to Fog Cannon Subsidy Appropriation	MBIE
21 April 2023	Briefing: Fog Cannon Subsidy Scheme: Managing the remaining funding and decisions about the provider panel	MBIE
18 May 2023	Briefing: Fog Cannon Subsidy Scheme – Cabinet paper seeking additional funding	MBIE
26 May 2023	Briefing: Fog Cannon Subsidy Scheme – Options for aligning with the Retail Crime Prevention Programme	MBIE
1 June 2023	Briefing: Fog Cannon Subsidy Scheme – new requirements for fog cannons and providers	MBIE

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of privacy of natural persons, confidential advice to government, maintenance of the law, legal professional privilege, confidential advice entrusted to government, free and frank opinions.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Fog Cannon Subsidy Scheme: In Principle Expense Transfer and Additional Crown Funding to Allow More Fog Cannons to be Subsidised

Portfolios **Police / Small Business**

On 29 May 2023, Cabinet:

- 1 **noted** that in November 2022, Cabinet agreed to establish a Fog Cannon Subsidy Scheme (FCSS) for small retailers [CAB-22-MIN-0548];
- 2 **noted** that Cabinet also authorised the Minister of Corrections, Minister of Finance, Minister of Justice, Minister of Police and Minister for Small Business (Joint Ministers) to agree the final funding source, phasing and appropriation changes for the FCSS;
- 3 **noted** that, in line with the above authorisation, Joint Ministers agreed to establish and fund appropriations for the FCSS as set out in the table below:

	\$m – increase/(decrease)				
Vote Business, Science and Innovation	2022/2	2023/2	2024/2	2025/2	2026/27 & outyears
Minister of Police	3	4	5	6	
Non-departmental Output Expense: Retail Crime Subsidy Scheme	2.250	3.750	-	-	-
Departmental Output Expense: Administration of the Retail Crime Subsidy Scheme (funded by Revenue Crown)	1.263	1.105	-	-	-
Total Operating	3.513	4.855	-	-	-

- 4 **noted** that retailer demand for fog cannons has been strong, and as at 22 May 2023, the Ministry of Business, Innovation and Employment (MBIE) had issued 1,576 retailer vouchers (worth up to \$4,000 each), averaging roughly 110 approvals per week in April and May 2023;
- 5 **noted** that MBIE has already brought forward \$1.000 million from the 2023/24 Non-departmental budget to the 2022/23 Non-departmental budget through the Budget 2023 In Principle Expense Transfer (IPET) process in order to help meet demand for fog cannons this financial year;
- 6 **noted** that without additional funding, the FCSS will need to waitlist new retailer applications within a fortnight;

Administration savings can be used to fund more fog cannons for a short period

7 **noted** that the Minister of Police has instructed MBIE to make savings from its administration budget, so that these funds can be used to extend the duration of the FCSS;

8 **noted** that MBIE has identified savings of up to \$650,000 that it can transfer from its administration budget for this purpose, and this will require an IPET of up to the following maximum amounts of operating from 2022/23 to 2023/24:

Vote Business, Science and Innovation Minister of Police	\$m – increase/(decrease)			
	2022/23	2023/24	2024/56	2025/26 & Outyears
Departmental Output Expense: Administration of the Fog Cannon Subsidy Scheme (funded by Revenue Crown)	(0.650)	0.650	-	-
Total Operating	-	-	-	-

9 **authorised** the Minister of Finance and Minister of Police jointly to agree to the final amount to be transferred, following completion of the 2022/23 audited financial statements, with no impact on the operating balance across the forecast period;

10 **authorised** the Minister of Finance and the Minister of Police to approve a fiscally-neutral adjustment from the Administration of the Fog Cannon Subsidy Scheme appropriation to the Fog Cannon Subsidy Scheme appropriation in 2023/24;

11 **noted** that, on current levels of demand, these savings will be sufficient to keep the FCSS open to new retailer applications for less than a fortnight;

New Crown funding is required for the FCSS to operate through 2023/24

12 **noted** that small retailers have informed the Minister of Police and Minister of Small Business (the Minister) that they value the additional protection for themselves, their families and their workplaces that fog cannons provide;

13 **noted** that the Minister’s preference is to fund the FCSS for the duration of the 2023 calendar year;

14 **noted** that MBIE estimates that a \$11.650 million funding boost will enable the FCSS to remain open to new retailer applications through to the end of the 2023 calendar year;

15 **agreed** to provide \$7.667 million from the Between Budget Contingency and \$3.333 million from the Prime Minister’s Emerging Priorities Fund, which together with the \$650,000 IPET referred to in paragraph 8 above will fund an additional 3,350 fog cannon vouchers;

16 **approved** the following changes to appropriations to give effect to the decision in paragraph 15 above, with a corresponding impact on the operating balance and net debt:

Vote Business, Science and Innovation Minister of Police	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Non-departmental Output Expense: Retail Crime Subsidy Scheme	-	11.0	-	-	-
Departmental Output Expense: Administration of the Retail Crime Subsidy Scheme (funded by Revenue Crown)	-	-	-	-	-
Total Operating	-	11.0	-	-	-

17 **agreed** that the changes to appropriations above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

18 **agreed** that expenses incurred in paragraph 16 above be charged against the between-Budget contingency established as part of Budget 2023 and the Prime Minister’s Emerging Priorities Fund;

Authorisation for further design decisions

19 **noted** that in November 2022, Cabinet authorised Joint Ministers to make changes to support the implementation of the FCSS [CAB-22-MIN-0548];

20 **rescinded** the decision referred to above; and instead

21 **authorised** the Prime Minister, the Minister of Finance, the Minister of Police and the Minister for Small Business to make any further design decisions required in respect of the FCSS to ensure it remains fit for purpose;

Further updates for Cabinet

22 **invited** the Prime Minister, the Minister of Finance, the Minister of Police and the Minister for Small Business to:

22.1 notify Cabinet of any substantive changes to the FCSS’s design before they are implemented;

22.2 keep Cabinet updated on FCSS outcomes alongside report backs on the Retail Crime Prevention Programme.

Rachel Hayward
Secretary of the Cabinet